



REPORT

OF THE

Indian Tariff Board

ON THE

HURRICANE LANTERN INDUSTRY

PERSONNEL OF THE BOARD

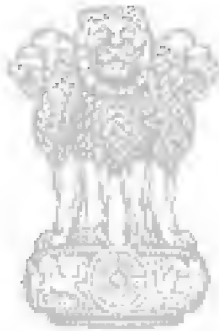
SIR R. K. SHANMUKHAM CHETTY, K.C.I.E.—PRESIDENT.

MR. C. C. DESAI, C.I.E., I.C.S.—MEMBER-SECRETARY.

DR. NAZIR AHMAD, O.B.E.—MEMBER.

DR. H. L. DEY, D.Sc. (Lond.)—MEMBER.

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REPORT ON THE HURRICANE LANTERN INDUSTRY

1. The claim of the hurricane lantern industry in India for protection and assistance was referred by the Department of

Reference to Board. Commerce, Government of India, to the Tariff Board, for investigation and report in their Resolution

No. 218-T (55)/45, dated the 16th February 1946. The Board was to be guided in the inquiry by the principles laid down in the Commerce Department Resolution No. 218-T (55)/45, dated the 3rd November 1945. Copies of both the Resolutions will be found in Appendix I. The recommendation for protection, if any, is to be limited to a period of three years by the end of which it may be possible to review the position in the light of conditions prevailing at the time. For the present, the main object of our inquiries is to devise measures calculated to enable wartime and struggling industries to survive in the transition period, provided that the industry concerned gives fair promise of becoming self-reliant in the long run. For a more detailed exposition of the policy, principles and procedure followed by this Board in the inquiries entrusted to it, reference to our report on calcium chloride is invited.

2. All the known manufacturers of hurricane lanterns were addressed on the 1st April 1946 to submit their representations with

Method of Inquiry.

particular reference to the questionnaire issued for the purpose by the Board. Similarly, importers and a few important dealers in hurricane lanterns were addressed on the 18th April 1946 to furnish information in their possession and bearing on the claim of the hurricane lantern industry for protection. Public enquiry into the case was held on the 8th, 9th and 10th July 1946 in Bombay. A list of the witnesses who were examined by the Board is given in Appendix II. Provincial Governments and Administrations were consulted and some of them, notably the Bengal Government, sent a reply giving useful information and supporting the case of the industry for protection. The factory of the Jay Engineering Works at Calcutta was visited by Mr. C. C. Desai. The factories of Messrs. Ogale Glass Works Ltd., Ogalewadi, the Oriental Metal Industries Ltd., Calcutta, the Jay Engineering Works Ltd., Calcutta, and the India Industrial Works, Ltd., Howrah, were visited by the Technical Adviser attached to the Board as also by the Cost Accounts Officers who carried out cost investigations on behalf of the Board. The figures of cost of production of Messrs. Ogale Glass Works Ltd., the Jay Engineering Works and the Oriental Metal Industries were examined in detail by our Cost Accounts Officers with a view to comparing costs of production and arriving at a common figure which could then be compared with the cost of importation to see what measure of protection would be required to safeguard the home industry.

3. Initiative for the protection of the industry was taken by the Mahratta Chamber of Commerce and Industries, Poona, which

History of the Industry :

Application for protection.

addressed a letter on the subject to the Department of Commerce on the 13th September 1945. The Mahratta Chamber of Commerce and Industries, Poona, took this action on behalf of the Ogale Glass Works Ltd., Ogalewadi, who are pioneers in the production of hurricane lanterns in India. The Ogale

Glass Works Ltd., have their factory at Ogalewadi in Aundh State, District Satara, in the Bombay Province. This concern was started primarily for the manufacture of glass but added a metal section for the manufacture of hurricane lanterns from iron and tin sheets some time in 1925, the actual manufacture of lanterns commencing on the 1st January 1926. The factory has a capacity of 1,000 hurricane lanterns per day, but this capacity has never been fully utilised owing to various difficulties such as competition from abroad in the pre-war period and absence of raw materials in wartime. The management of this factory had once (in 1936) applied for protection before the commencement of war; but before action could be taken on the application, the war broke out, which provided automatic protection resulting from the stoppage of imports from Germany, the biggest source of supply in the inter-war period. The second manufacturer to enter the field of production of hurricane lanterns was the Oriental Metal Industries Ltd., Calcutta, which started production in March 1936. With the outbreak of war, this concern came under the control of Government and was engaged exclusively in the production of stores required for the Defence Services. It was only recently that the control was withdrawn and production of hurricane lanterns for the civil market was taken in hand. Meanwhile, other manufacturers sprang up mainly as a result of the stimulus supplied by the wartime scarcity of hurricane lanterns. A list of the important manufacturers is given in Appendix III.

4. Hurricane lanterns are an essential household commodity used by the rich and the poor alike in places which have not been electrified. Even where electrification has taken place, hurricane lanterns are kept to serve as a standby in the event of failure of electricity. Hurricane lanterns form a part of the stores purchased by the Defence Department, the Railways and certain other departments of the Central, Provincial and State Governments. The present inquiry does not extend to pressure lamps and lanterns such as petromax lamps.

5. The manufacture of hurricane lanterns does not involve intricate processes

Process of manufacture and raw materials. nor does it require complicated machinery. The essential raw materials are :—

(1) *Tinplates or terne plates or P. C. R. C. A. mild steel sheets.*—These are required for making the body of a lantern. The ideal raw material is tinplate, but this material is difficult to obtain at present. The next best raw material is terne plate of 28 s.w.g. Even terne plate is not easy to obtain and in its place the lantern manufacturers have to fall back upon P.C.R.C.A. mild steel sheets of various gauges.

(2) *Brass sheets.*—A small quantity (0·08 lb. for one dozen lanterns) of brass sheets of about 18 gauge is required for making the gears for sliding the wick in the burner.

(3) *Galvanized and steel wires.*—These are used for making lantern handle, guard for the chimney and the spring for holding the globe in place. For one dozen lanterns, 1·75 to 2 lbs. of 10 or 11 gauge and 1 to 1·25 lbs. of 13 or 14 gauge of galvanized and steel wires are required.

(4) *Solder.*—Solder is required to make the joints leak-proof. 0·8 lb. of 40 per cent. tin solder is required for one dozen lanterns.

(5) *Paint*.—Where terne plate or black sheets are used for the body of the lanterns, either tinning or painting has to be resorted to. If tin plate is used, no tinning or painting is required. 0·11 gallon of paint is sufficient for 1 dozen lanterns.

(6) *Wick*.—6" × $\frac{5}{8}$ " per lantern.

(7) *One glass globe is fitted to each lantern.*

Power presses are used to make the different component parts which are then assembled to make a whole lantern.

6. Before the war, practically all the requirements of the country in respect of hurricane lanterns were met from imports.

Estimated demand. A perusal of the statistics of imports, *vide* Appendix IV, shows that over 60 lakhs of metal lamps and lanterns used to be imported from abroad. All interests which were consulted agree that between 80 and 90 per cent. of these imports must be deemed to have been represented by hurricane lanterns. It follows that between 45 lakhs and 50 lakhs of hurricane lanterns used to be imported before the war and represented our annual consumption. As for the next three years, our estimate is that the country would require something like 60 lakhs per annum taking into consideration both the pent-up or carry-over demand and the higher purchasing power consequent upon wartime prosperity. Manufacturers as well as importers whom we consulted concurred in this estimate.

7. Although there are as many as 8 important manufacturers of hurricane lanterns in the country, the total rated capacity stands around 17·52 lakhs per annum. This figure is made up as follows :—

<i>Name of manufacturer.</i>	<i>Rated capacity lakhs.</i>
(1) Ogale Glass Works Ltd., Ogalewadi ..	2·40
(2) Oriental Metal Industries Ltd., Calcutta ..	4·32
(3) India Industrial Works Ltd., Howrah ..	6·00
(4) Jay Engineering Works Ltd., Calcutta ..	3·00
(5) Bihar Lantern Factory, Dumraon, E.I.R. ..	1·20
(6) Raghu Engineering Works Ltd., Delhi ..	0·60
(7) Eastern Hurricane Lanterns Manufacturing Co., Calcutta ..	Not known.
(8) Metal Container and General Works, Delhi ..	Do.
Total ..	17·52

Moreover, it was brought to our notice in the course of the inquiry that a new firm under the name of Indo-Scottish Engineering Co., Sir Pheroazshah Mehta Road, Bombay, has definite plans for putting up a factory in Bombay with a productive capacity of 6 lakhs of lanterns a year and that the Company hopes to go into production within a year. It will thus be seen that the total productive capacity is considerably short of the demand of the country although very substantial progress has been made since the commencement of war when there was hardly any production of hurricane lanterns in the country. Even with rapid electrification, the demand for hurricane lanterns will be sustained as with a rise in the standard of living, hurricane lanterns will be required more and more in the countryside. Every home will need a hurricane lantern and most homes more than one.

8. The most common type of imported lantern was the American Dietz Junior and the corresponding German type (Feuerhand 252).

Quality of Indian-made hurricane lanterns. A similar lantern is being produced by the Ogale Glass Works Ltd., under the trade name of PRABHAKAR and such evidence as the Board could collect on the subject was to the effect that the PRABHAKAR lamp is almost as good as the Dietz Junior. The other lanterns are a little inferior in polish, appearance as well as performance of the burner. The defects are not irremediable and the manufacturers are alive to the necessity of perfecting the process so as to give to the Indian consumer an article fully comparable with that of the best German or American lantern. Quality depends to a large extent upon the raw materials which when available freely will enable the manufacturers to turn out a lantern of satisfactory performance. There is, however, a definite prejudice in the public mind against Indian lanterns which will require some time to overcome and which will justify a measure of protection which would appear to be unnecessary on a bare price comparison between the imported and home products.

9. *Economic Unit.*—The Ogale Glass Works are the oldest and the most experienced manufacturers of hurricane lanterns and their capacity approximates to what might be regarded as an economic unit of production in the Indian

Cost of production. conditions. The capacity of Ogales is 1,000 lanterns per day but with the reduction in the hours of work from 9 to 8 hours per day, this capacity has to be lowered to 900 lanterns per day. Considering the difficulty in obtaining raw materials which is not likely to be mitigated during the next three years, the Board decided to take the output of 800 lanterns per day as the minimum production of what might be regarded as an economic unit.

10. The prices adopted for the various raw materials are the controlled prices now in force. It was represented, rather forcibly on behalf of the Ogale Glass Works that we should take their actual figures which were much higher than the controlled prices but obviously this could not be agreed to. The Board could not recognise prices in excess of controlled prices, no matter what difficulties there might be in obtaining materials at those prices. A table of cost of production of hurricane lanterns, constructed on these lines, based on the
- Board's estimate of future costs.**

cost accounting of the principal producers, and applicable to the next three years, is given below :—

Board's estimate of cost of production and fair selling price of 1 dozen hurricane lanterns based on a daily production of 800 pieces for the period of protection.

	Quantity	Rate	Amount in
		Rs.	Rs.
I. Manufacturing Expenses—			
1. Raw materials:—			
(i) Terne plate—			
(a) Gauge 30	.. lbs. 11.00	0.246 per lb.	2.71
(b) Gauge 28	.. lbs. 8.00	0.231 ..	1.85
(c) Gauge 24	.. lbs. 1.00	0.215 ..	0.22
	lbs. 20.00		
(ii) Brass sheet gauge 19	.. lbs. 0.08	2.00 ..	0.16
(iii) Steel wire—			
(a) Gauge 10 or 11	.. lbs. 1.75	0.234 ..	0.41
(b) Gauge 13 or 14	.. lbs. 1.25	0.237 ..	0.30
	lbs. 3.00		
(iv) Solder	.. lbs. 0.80	1.16 ..	0.93
(v) Paint	.. gal. 0.11	10.00 per gal.	1.10
(vi) Brass eyelets	.. doz. 2.00	0.063 per doz.	0.13
(vii) Wick	.. ft. 6.00	0.025 per ft.	0.15
(viii) Globes	.. doz. 1.00	2.00 per doz.	2.00
(ix) Extra freight on raw materials.	....	....	0.25
(x) Other direct materials such as acid, zinc chloride, etc.	....	....	0.50
			10.71
2. Power and fuel (electricity 6 units at 2 annas a unit).	.....	.....	0.75
3. Ordinary current repairs	.. ....	....	2.18
4. Labour (including bonus)	.. ....	....	5.00
5. General services	.. ..	....	1.76
6. Quality control	.. ..	....	....
7. Packing (cases Rs. 3, paper bag 10 annas and other items 10 annas)			4.25
8. Miscellaneous (including consumable stores)	.. ....	....	2.11
		Total of I ..	26.76

	Quantity	Rate	Amount in
		Rs.	Rs.
<i>II. Overhead charges—</i>			
9. Depreciation at statutory rates	0.79
10. Interest on working capital (at 4 per cent. on Rs. 1.95 lakhs)	0.39
11. Managing Agents' charges	0.18
12. Directors' and Auditors' fees	0.06
13. Insurance
14. Rent, rates, taxes, etc.	0.02
15. Selling expenses (advertisement)	0.15
16. Miscellaneous	0.26
		Total of II ..	1.85
		Totals of I and II.	28.61
<i>Less credit for scrap</i>
Cost of production	28.61
<i>Add profit (10 per cent. on fixed capital of Rs. 3½ lakhs)</i>	1.75
		Fair selling price ..	30.36
		Rs. s. p.	
		Or ..	30 6 0

The detailed figures given in the table above need little explanation. Interest on working capital has been calculated at the rate of 4 per cent. on Rs. 1.95 lakhs, as against 3 lakhs claimed by the Ogales, which roughly represents the value of goods produced in a period of four months, since the turn-over in the case of this industry is fairly rapid. Profit is allowed at 10 per cent. on fixed capital which has been taken at Rs. 3.5 lakhs. The Ogales claimed a fixed capital of Rs. 3.6 lakhs but consequent on checking, this figure has been reduced to Rs. 3.5 lakhs. Over-all profit plus interest on working capital works out to 7.5 per cent. on the net cost of Rs. 28.22 which compares favourably with the profit allowed on contracts by the Department of Supply in wartime. Terne plate has been taken as the principal raw material as it is believed that during the next three years, tin plate would be comparatively difficult to obtain and it will be necessary for the manufacturers of hurricane lanterns to use terne plate instead. It is understood, however, that even when tin plate is used, the extra cost on tin plate is likely to be balanced by the

saving in paint which has to be used when the body of a hurricane lantern is built of terne plate. No credit has been allowed for scrap as the Ogales are definite that the terne plate scrap has no sale value at present. The other charges, such as, packing, labour, power and globes are based on the actual costs of Ogales and have also been compared with the charges incurred on these items by the Oriental Metal Industries Ltd., Calcutta, as well as Jay Engineering Works Ltd., Calcutta. Ogales produce glass, enamel and hurricane lanterns at their Ogalewadi factory and the relative sale values of these products have been taken into consideration in allocating expenditure on overheads, fixed capital and working capital. It will be observed that the cost of production of a dozen hurricane lanterns comparable to Dietz Junior comes to Rs. 28-61 and the fair selling price, after making allowance for profit, comes to Rs. 30-36 or Rs. 30-6-0. The other manufacturers agreed that this was a representative cost of production and fair selling price of hurricane lanterns produced in India and that any scheme of protection based on these data will serve the purpose of safeguarding the Indian industry. No provision has been made to cover railway freight as some big factories are located in Calcutta, a port town, and, secondly, location in the interior is no disadvantage in the case of an article which is used mainly in the countryside.

11. Although the possible sources of import of hurricane lanterns are the United States of America, the United Kingdom, Australia and China, only the United States of America and the United Kingdom need be seriously considered. Both the Australian and the Chinese prices are too high to be considered for the Indian market owing to high cost of production in Australia and to serious inflation in China. Of the two remaining sources, America will be the principal competing country as the landed cost of the American lanterns is substantially lower than that of lanterns imported from the United Kingdom. A comparative table of landed costs of imports obtained from the two countries is given below :—

				Ex U. S. A. (Type Dietz Junior)	Ex U. K. (Type EFAR 609)
				Rs. s. p.	Rs. s. p.
C.i.f.	..	..	..	29 8 0 per doz.	41 0 0 per doz.
Customs duty at 30 per cent. <i>ad valorem</i>	..		..	8 13 7 ,,	12 7 7 ,,
Clearing and landing charges	..	..	..	0 12 0 ,,	0 12 0 ,,
Landed cost	..		..	39 1 7 ,,	54 13 0 ,,

Furthermore the American lanterns include one globe per lantern whereas the U.K. prices are of lanterns without globes. Ordinarily, importers add a profit margin of about 35 per cent. before fixing retail prices. On this basis, the retail price of an English lantern without globe comes to Rs. 6-14-0, and of a Dietz Junior with a globe to Rs. 4-6-0. It was gathered from the importers in the course of the inquiry that there was a tendency for the English prices to rise and that already advice had been received that future consignments would be made at 10 per cent. higher than the previous quotations. The difference in the price of lanterns from America and from England is so substantial that America has to be treated as the principal competing country and the scheme of protection of the Indian industry has to be related to the American rather than British prices.

12. Hurricane lanterns or metal lamps are not separately classified in the Indian customs tariff schedule, being included under **Customs duty.** item 71 which is reproduced below :—

Name of article	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		
			The U. K.	A British Colony.	Burma.
Hardware, Ironmongery and tools, all sorts not otherwise specified, including incandescent mantles but excluding machine tools and agricultural implements.	Revenue	30 per cent. <i>ad valorem</i>.	..	..	12 per cent. <i>ad valorem</i> .

13. The lower of the two landed costs of comparable lanterns as given in paragraph 11 is Rs. 39-1-7 as against Rs. 30-6-0 per dozen which is the fair selling price of the Indian lanterns. There is thus ample margin to the advantage of the Indian industry. Ordinarily, this should carry sufficient assurance of protection to the Indian industry, but it cannot be gainsaid that the industry is still apprehensive of competition from abroad. There are two reasons for this fear. One reason is that the landed cost may fall in the near future, thus neutralising the advantage which the home industry enjoys at present. Treating the industry as a protected one will meet this point of the producers. The second reason is that there is a prejudice in the public mind which operates to the detriment of the Indian industry unless the Indian product is sold at a definitely lower price than that at which the imported product is put on the market. That these fears are not unwarranted is proved by the experience of this industry in other countries. In Australia, for instance, where the case of the hurricane lantern industry was examined by the Australian Tariff Board as long ago as in 1931, it was urged on behalf of the hurricane lamp manufacturers that in spite of the advantage in prices of the Australian lamps, the majority of buyers still preferred the imported article on account of its superior appearance and reliability—*vide* paragraph 3 of the Australian Tariff Board's report on hurricane lamps dated the 28th March 1933. It is therefore necessary that some margin in favour of the home producer should be maintained in the initial period during which the industry will have a chance of establishing itself firmly and earning the confidence of the people as regards both quality and price. A period of three years should be sufficient for this purpose.

14. The hurricane lantern industry is an important one from the point of view of the national economy in a country like India where total electrification is not a practical possibility. The prewar experience of the industry also indicates the need for effective protective measures during the transition period, especially as the industry has made rapid strides in the war years and promises to be firmly established if supported during the next three years. And this could be done without increasing the burden on the consumer. The Board, therefore, recommends that the existing revenue duty of 30 per cent. *ad valorem* should be converted into an equal protective *ad valorem* duty for a period of 3 years. It is assumed that effect will be given to this recommendation as from the 1st October 1946 in which case the period of protection will be due to expire on the 30th September 1949. This period might be

extended till the end of March 1950 so as to coincide with the financial year 1949-50 for purposes of administrative convenience. We considered whether any minimum c.i.f. price should be laid down for the operation of the clause regarding adjustment of duty under Section 4 (1) of the Indian Tariff Act, 1934, but we could not find any practical proposition which would be easy of implementation. It is true that the Dietz Junior type is the one most commonly imported, but if a minimum c.i.f. price is fixed on the basis of the Dietz Junior type, an importer bent upon evasion of this provision could change the type slightly and import the new type at a lower landed cost without attracting invocation of the adjustment clause under Section 4 (1) of the Indian Tariff Act. Alteration in type and design may not be easy as the market is used to a particular type and secondly a modification in type would require alterations in machinery and equipment which would not be worth the while of a foreign manufacturer to undertake with a view to evading, perhaps only temporarily, a measure of protection adopted in this country. We, however, think that it would be sufficient if it is laid down that should the landed cost of a Dietz Junior or similar lantern fall below Rs. 36-0-0 per dozen, the Association of lantern manufacturers, if there is one in existence, or individual lamp manufacturers, would be entitled to approach the Government with a request to review the position with a view to raising the duty so as to maintain the measure of protection based on the figures of cost of production in India adopted in this report.

15. (1) As there is still a big gap between the requirements of the country in the matter of hurricane lanterns and the productive capacity so far developed, it is recommended that **Other measures of assistance.** Government should announce a concession of refund of duty paid on machinery imported from abroad for expansion, improvement or establishment of new hurricane manufacturing capacity in the country. The duty on machinery is only 10 per cent., and the value of the concession in terms of money will not be much although its psychological effect will be so considerable as to justify the grant of this concession.

(2) The industry does not involve complicated processes but nevertheless is likely to benefit if it is afforded facilities for sending skilled personnel abroad to study latest methods of production with a view to improving the technique of production at home.

(3) Some of the manufacturers represented that they should be given facilities for import of machinery for hurricane lantern manufacture from abroad, including America, by release of the necessary amount of foreign exchange. We consider that this request is reasonable and should be sympathetically considered.

(4) The manufacturers represented that they were experiencing difficulties in procuring raw materials, especially, terne plate, tin plate and steel wire. Government should give every possible assistance in the procurement of these raw materials so that the full productive capacity might be utilised, dependance upon imports may be minimised and reduction in cost of production could be achieved, thus increasing the competitive capacity of the home industry. The Department of the Central Government concerned with the matter will find it easy to handle such a request if it came from an Association of hurricane lantern manufacturers rather than from the manufacturers individually. We therefore recommend that the hurricane lantern manufacturers in the country should form an association which would look after the interests of the manufacturers in their relations with the Government as well as with the lantern manufacturers in other countries. The manufacturers assembled during the inquiry informed the Board that they realised the desirability of such a course and that they would give effect to it as soon as possible.

16. The hurricane lantern industry has, in the opinion of the Board, qualified for and deserves protection. Visits to factories and examination of accounts show that the industry is run on sound business lines. All the raw materials are available, there is an expanding market and the cost of production compares favourably with the cost of importation of foreign products. The industry has already reached big dimensions though there is still scope for further expansion. The progress made during wartime is now being consolidated and it should be possible for the industry to face competition in normal times only with the help of the usual revenue duty. Protection is required only for the transition period during which it will be improved and reinforced so as to be ready to withstand any reasonable competition. There is an apprehension that manipulation of foreign exchange may adversely affect the competitive capacity of the home industry but that fear is not peculiar to the lantern industry and can be left out of consideration.

Summary of recommendations.

17. Our recommendations may be summarised as under :—

(1) The existing 30 per cent. revenue duty should be converted into a 30 per cent. *ad valorem* protective duty for a period of three or three and a half years from the 1st October 1946. (Paragraph 14.)

(2) Government should give refund of duty paid on machinery which may be imported in future to develop this industry [paragraph 15 (1)].

(3) Facilities should be given to the industry to train technical personnel abroad [paragraph 15 (2)].

(4) Facilities should be given to import hurricane lantern manufacturing machinery from any country including the United States of America [paragraph 15 (3)].

(5) Lantern manufacturers should form an Association [paragraph 15 (4)].

(6) The Association of hurricane lantern manufacturers, when formed, should approach Government with proposals for assistance in procurement of raw materials to enable the full productive capacity to be utilised [paragraph 15 (4)].

18. The thanks of the Board are due to Mr. Jang Bir Singh of the Department of Industries and Supplies for valuable assistance in the course of the inquiry, to Dr. B. K. Madan, our Deputy Secretary for supervision over the preparation of the case, to Mr. Raghava Rao, Cost Accounts Officer

or conducting cost examination on behalf of the Board and to Mr. Kapur, Technical Adviser attached to the Board for his technical help.

Acknowledgments.

SHANMUKHAM CHETTY—President.

C. C. DESAI—Member-Secretary.

NAZIR AHMAD—Member.

H. L. DEY—Member.

R. A. HASNIE—Administrative Officer.

Bombay, the 31st July 1946.

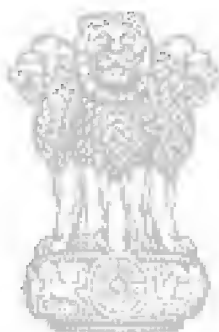
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APPENDIX IV.—Statement showing the quantity, value and average value per lamp of imports of all kinds of lamps.



APPENDIX I

DEPARTMENT OF COMMERCE

RESOLUTION

TARIFFS

New Delhi, the 3rd November 1945

No. 218-T (55)/45.—In the statement on industrial policy issued by the Government of India on the 23rd April 1945, it was announced that, pending the formulation of a tariff policy appropriate to the post-war needs and conditions of the country and the establishment of permanent machinery for the purpose, Government would set up machinery for investigating claims from industries, which have been started or developed in war-time and which are established on sound lines, to assistance or protection during the transition period. A press communique issued on the same date invited industries to address their claims to the Secretary to the Government of India in the Department of Commerce.

2. Several industries have accordingly applied for assistance or protection, and on a preliminary examination of their claims, the Government of India have come to the conclusion that applications submitted by the following industries call for a detailed examination :—

- (i) non-ferrous metals, including antimony ;
- (ii) grinding wheels ;
- (iii) caustic soda and bleaching powder ;
- (iv) sodium thiosulphate, sodium sulphite anhydrous, sodium bisulphite ;
- (v) phosphates and phosphoric acid ;
- (vi) butter colour, aerated water powder colour ;
- (vii) rubber manufactures ;
- (viii) fire hose ;
- (ix) wood screws ;
- (x) steel hoops for baling.

Other applications are under the consideration of Government, and further action in their case will be taken in due course.

3. In addition to the industries which have applied for assistance or protection, there are certain industries the starting of which was considered essential by the Government of India under conditions created by the war. Early in 1940, Government announced that specified industries promoted with their direct encouragement during war-time might feel assured that, if they were conducted on sound business lines, they would, by such measures as Government might devise, be protected against unfair competition from outside India. In accordance with this decision,

the following industries have been given an assurance of protection against unfair competition after the war :—

- (i) bichromates ;
- (ii) steel pipes and tubes up to a nominal bore of 4 inches ;
- (iii) aluminium ;
- (iv) calcium chloride ;
- (v) calcium carbide ;
- (vi) starch.

Of these industries, only those engaged in the manufacture of bichromates, calcium chloride and starch have so far applied for assistance or protection during the transition period. The Government of India consider that the applications submitted by these three industries also call for immediate investigation.

4. For the purpose of these and any subsequent investigations, the Government of India have decided to set up a Tariff Board for a period not exceeding two years, in the first instance. The Board will consist of :—

PRESIDENT :

Sir R. K. Shanmukham Chetty, K.C.I.E.

MEMBERS :

Mr. C. C. Desai, C.I.E., I.C.S.

Professor H. L. Dey, D.Sc. (London).

The Board will include one more Member whose name will be announced shortly. Mr. Desai will act as Secretary to the Board in addition to his duties as Member.

5. The Tariff Board is requested to undertake, in such order as it thinks fit, the investigation of claims put forward by the industries specified in paragraphs 2 and 3 above. In the case of each industry the Board will, after such examination as it considers necessary, report whether the industry satisfies the following conditions :—

(1) that it is established and conducted on sound business lines ; and

(2) (a) that, having regard to the natural or economic advantages enjoyed by the industry and its actual or probable costs, it is likely within a reasonable time to develop sufficiently to be able to carry on successfully without protection or State assistance ; or

(b) that it is an industry to which it is desirable in the national interest to grant protection or assistance and that the probable cost of such protection or assistance to the community is not excessive. Where a claim to protection or assistance is found to be established, *i.e.*, if condition (1) and condition (2) (a) or (b) are satisfied, the Board will recommend—

(i) whether, at what rate and in respect of what articles, or class or description of articles, a protective duty should be imposed ;

(ii) what additional or alternative measures should be taken to protect or assist the industry ; and

(iii) for what period, not exceeding three years, the tariff or other measures recommended should remain in force.

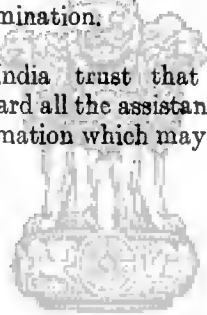
In making its recommendations the Board will give due weight to the interests of the consumer in the light of the prevailing conditions and also consider how the recommendations affect industries using the articles in respect of which protection is to be granted. Since relief, to be effective, should be afforded without delay, the Board is requested to complete its enquiries with all possible expedition and to submit a report as soon as the investigation of the claim of each industry is concluded.

6. The headquarters of the Board will be at Bombay, but it will visit such other places as it thinks necessary for purposes of its enquiries. Firms and persons interested in any of these industries, or in industries dependent on the use of the products of these industries, who desire that their views should be considered, should address their representations to the Secretary to the Board.

7. Any claims hereafter received from other industries which in the opinion of the Government of India are suitable for examination by the Board will be referred to the Board in due course for examination.

8. The Government of India trust that Provincial Governments and Administrations will afford the Board all the assistance which it may require and will comply with any request for information which may be addressed to them by it.

N. R. PILLAI,
Secretary.



सत्यमेव जयते

GOVERNMENT OF INDIA

DEPARTMENT OF COMMERCE

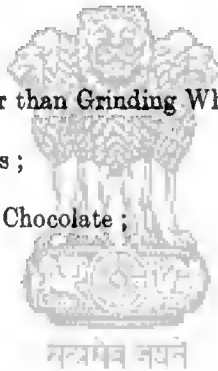
New Delhi, the 16th February 1946

RESOLUTION

TARIFFS

No. 218-T (55)/45.—In pursuance of paragraphs 2, 3 and 7 of their Resolution in the Department of Commerce, No. 218-T (55)/45, dated the 3rd November 1945, the Government of India have decided to refer to the Tariff Board for investigation applications for assistance or protection received from the following industries, namely :—

- (i) Glucose ;
- (ii) All Abrasives other than Grinding Wheels ;
- (iii) Hurricane Lanterns ;
- (iv) Cocoa powder and Chocolate ;
- (v) Aluminium ;
- (vi) Preserved Fruits.



2. In making its enquiries, the Board will be guided by the principles laid down in paragraph 5 of the Resolution referred to above.

3. Firms or persons interested in any of these industries or in industries dependent on the use of these articles, who desire that their views should be considered by the Tariff Board, should address their representations to the Secretary to the Board, Caltex House, Ballard Estate, Bombay 1.

4. Similar announcements will be made from time to time regarding claims from other industries found suitable for examination by the Board.

N. R. PILLAI,

Secretary to the Government of India.

APPENDIX II

List of witnesses examined by the Board, interests represented by them and the dates on which they were examined.

<i>Producers :</i>	<i>Name.</i>	<i>Date.</i>
(1)	Mr. M. L. Shroff, representing India Industrial Works, Howrah.	8th, 9th and 10th July.
(2)	Mr. Mukherjee, representing the Oriental Metal Industries Ltd., Calcutta.	Do.
(3)	Mr. Pratap Singh, representing Jay Engineering Works Ltd., Calcutta.	Do.
(4)	Mr. S. G. Padhye, and Mr. A. P. Ogale, representing Ogale Glass Works, Karad.	Do.
(5)	Mr. Shyamauter Lal, representing Bihar Lantern Factory, Dumraon, E. I. R.	Do.
(6)	Mr. H. G. Smith and Mr. D. P. H. McCormack, representing Indo-Scottish Engineering Co., Bombay.	8th and 9th July.
<i>Importers :</i>		
(1)	Mr. A. Stiefel, representing Volkart Brothers, Bombay.	8th July.
(2)	Mr. Chimanlal Desai, representing Messrs. Chimanlal Desai & Co Bombay.	9th July.
(3)	Mr. J. N. Gagrath, representing Bombay Glassware Merchants' Association, Bombay.	Do.
<i>Consumers :</i>		
(1)	Mr. N. P. Gandhi, representing Messrs. Gandhi Laherchand Nanchand, Bombay.	8th July.

APPENDIX III

List of important manufacturers of Hurricane Lanterns.

1. Ogale Glass Works Ltd., Ogalewadi, Karad.
2. Oriental Metal Industries Ltd., Calcutta.
3. Jay Engineering Works Ltd., Calcutta.
4. India Industrial Works Ltd., Howrah.
5. Bihar Lantern Factory, Dumraon, E. I. R.
6. Raghu Engineering Works Ltd., Delhi.
- *7. Eastern Hurricane Lanterns Manufacturing Co., Calcutta.
- *8. Metal Container and General Works, Delhi.

*The production capacity is not known.



APPENDIX IV.

Statement showing the quantity, value and average value per lamp of metal lamps imported into India since 1936-37.

1. U. K.	Rs. (Lakhs)	1936-37	1937-38	1938-39	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45	1945-46 (9 months from April to December, 1946).
2. Hongkong	..	0.41	0.29	0.50	0.12	0.07	0.01	0.01	0.01	Information not available.	Information not available.
3. Sweden	..	0.15	0.32	0.06	1.16	2.02	3.74	0.24	..	..	..
4. Germany	..	0.30	0.18	0.14	0.12	..	..	..	..	..	..
5. Austria	..	39.73	53.31	23.10	16.79	6.03	..	..	..	..	..
6. Hungary	..	0.76	1.02	0.51	0.31	..	..	..	..	..	..
7. Japan	..	0.06	0.42	0.15	1.03	..	..	..	..	..	..
8. China	..	2.13	1.82	0.47	0.47	0.73	0.10	..	..	..	..
9. U. S. A.	..	0.13	0.29	0.03	0.32	2.53	4.30	..	..	..	..
10. Other countries	..	2.93	2.61	2.46	3.55	3.51	4.75	1.09	1.28	..	..
	..	0.06	0.08	0.04	0.05	0.17	0.04	0.20	..	..	..
Total Imports	..	43.04*	60.64	27.46	24.53	9.06	12.94	1.54	1.28	1.57	1.04

*Excluding imports into Burma.

II. Value of imports from:—

	1. U. K.	Rs. (Lakhs)	1-51	2-19	1-17	0-65	0-44	0-16	0-10	0-03	Information not available.	Information not available.
2. Hongkong	0-08	0-23	0-03	0-79	1-89	3-72	0-24	..	..	..
3. Sweden	0-31	1-42	1-02	1-15	0-05	..	..	..	..	..
4. Germany	36-35	46-71	23-09	16-39	0-01	..	..	..	..	..
5. Austria	1-21	1-57	0-80	0-52	..	..	..	..	..	..
6. Hungary	0-03	0-14	0-04	0-27	..	..	..	..	..	..
7. Japan	0-72	0-76	0-13	0-11	0-35	0-11	..	..	..	..
8. China	0-06	0-15	0-03	0-40	2-26	3-20	..	..	..	..
9. U. S. A.	2-63	2-94	2-62	4-25	2-78	7-23	2-39	3-00	..	..
10. Other Countries	0-15	0-12	0-04	0-07	0-15	0-03	..	..	..	..
Total Imports	39-95*	36-23	30-99	24-60	9-88	14-45	2-72	3-03	4-02	2-78

*Excluding imports into Burma.

III. Average value per lamp of imports from:—

	1. U. K.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Information not available.	Information not available.
2. Hongkong	0-9	0-11	0-7	0-11	0-15	1-0	1-0	..	..	..
3. Sweden	3-0	7-11	7-2	9-5	12-4	..	..	..	..	..

APPENDIX IV—*contd.*

		1936-37	1937-38	1938-39	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45	
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	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
4. Germany	..	Rs. a. .. 0 15	0 14	1 1	1 0	0 6	Information not available.	
5. Austria 1 10	1 9	1 9	1 11	....	....	....	....	..
6. Hungary 0 7	0 6	0 4	0 3	....	....	....	....	..
7. Japan 0 5	0 7	0 5	0 4	0 8	1 0	....	....	..
8. China 0 8	0 8	0 14	1 4	0 14	0 12	....	....	..
9. U.S. A. 0 14	1 0	1 1	1 3	1 6	1 8	2 3	2 6	..	
Total Imports 0 15	0 15	1 2	1 0	1 1	1 2	2 0	2 6	2 9	